CASE NO.: 2:18-bk-15829-NB PAGE 1

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Alleged debtor, Philip J. Layfield (hereinafter "Layfield" or "Mr. Layfield Debtor"), hereby submits this Reply in Support of his Motion to Dismiss Involuntary Case (the "Reply"). On October 11, 2018, Wellgen Standard, LLC ("Wellgen") filed an Opposition by and through their counsel Jeffery Golden (the "Opposition"). See Docket #73. Curiously enough, Mr. Golden also purports to represent Wesley Avery, the chapter 7 interim-trustee ("Trustee"). As of the date of this Reply, no other party has filed an Opposition.

After having reviewed the Opposition Docket #73 and the Courts Order on this Motion dated October 5, 2018 Docket #56, it is apparent that rather than hold a hearing on the merits, there is an attempt to confuse the issues, pervert the record and avoid addressing the deficiencies in the actual Involuntary Petition.

First and foremost, Alleged Debtor responds to the allegations by Mr. Golden that he was not served with this Motion and his allegations that he did not receive the motion by email either. Alleged Debtor also responds to this Court's allegations that the Motion was not properly served and was not timely. As an initial matter, Alleged Debtor was not served with the Involuntary Petition until August 24, 2018. If Alleged Debtor had been personally served, his due date for a response would have been September 14, 2018. According to Form F 1010-1.SUMMONS.INVOL, a response is due within 21 days, plus 3 additional days if served by mail. As a result, the response was due by September 17, 2018. The Response was emailed to all parties on September 9, 2018 at 10:26 am. See Exhibit 1. The Response was sent via United States Postal Service to the Intake Clerk on September 10, 2018 at 10:47 am. See Exhibit 2. That mailing, which included both the Motion and Declaration along with a cover letter was received by the Intake Clerk on September 12, 2018. See Exhibit 3. A copy of the

cover letter sent to the clerk is attached hereto as Exhibit 4. A screenshot of Alleged Debtor's 1 2 3 4 5 6 7 8 9 10

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computer showing the "properties" of the Motion from the pdf file of the actual motion show the document was created on September 9, 2018 at 10:09am, which is approximately 15 minutes prior to being emailed to all parties. Alleged Debtor's only obligation was to get the document to the Intake Clerk for filing by the deadline. It was the Intake Clerk's responsibility to scan the document and provide notice using the CM/ECF system and generate a Notice of Electronic Filing. In further support of the underlying facts, Alleged Debtor alerted the Court to the Motion during the hearing on September 18, 2018. See Layfield Dec. paragraph 5.

There is no question that Alleged Debtor timely served his response to the Involuntary Petition and but for an error at the Intake Clerks' office, the response should have been timely posted to the docket. Any assertion by Golden to claim that he doesn't know who was served or that he wasn't served is simply disingenuous and a clear attempt to prevent a hearing on the merits. All such assertions should be rejected as yet another improper litigation tactic and a clear attempt to prevent this pro se debtor who has been forced into these proceedings from obtaining appropriate relief.

With respect to the substance of the arguments, first and foremost is the issue of the validity of Wellgen's purported judgment. A Motion for Reconsideration has been filed in the United States District Court in Case No. 8:17-cv-01628 set for hearing on October 22, 2018. The Motion is well taken and clearly shows that Mr. Golden engaged in misconduct in obtaining the Wellgen default judgment. Rather than trying to find every technical reason to deny Alleged Debtor's relief, such as lack of proper proof of service (which has been cured)

> PHILIP J. LAYFIELD'S REPLY TO MOTION TO DISMISS CASE NO.: 2:18-bk-15829-NB PAGE 3

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and claims of untimely mailings, this Court should be more concerned with Mr. Golden's misconduct in obtaining the judgment and should focus its inquiry on Mr. Golden's misconduct in securing himself in a position to prevent Alleged Debtor from challenging his improper litigation tactics. The answer is simple, this Court should sua sponte issue an order for relief from stay to allow the motion to go forward and eliminate any further waste of judicial resources to prevent a determination on the merits as to the validity of the Wellgen default.

In relation to the claim that Pachulski has an undisputed claim, Wellgens' arguments actually prove that Alleged Debtor's position is correct. First and foremost, Wellgen makes the inappropriate leap to claim that because Alleged Debtor defaulted on an administrative State Bar Proceeding that somehow the doctrine of Res Judicata prevents alleged debtor from disputed a wholly unsupported allegation by Richard Pachulski ("Pachulski") for conversion against alleged debtor. Without getting into the specifics regarding the offsets of any alleged amounts due by virtue of the proofs of claim held by Alleged Debtor, Pachulski does not benefit from any Res Judicata effect. Basically, Wellgen makes the outrageous argument that as a result of a default that occurred in a State Bar proceeding, Pachulski somehow obtains an undisputed claim against debtor. Wellgen basically cites to one case in support of this position. Shalant v. State Bar of California, 699 Fed. Appx. 724 (9th Cir. 2017). As a matter of procedure, Shalant is an unpublished opinion and it is wholly improper to cite for authority. However, in the spirit of addressing matters on the merits, Shalant is wholly distinguishable and actually demonstrates that Wellgen's assertion that Res Judicata applies to this matter is improper. The elements must exist for Res Judicata to apply: 1. Identify of claims; 2. A

final judgment on the merits; and 3. Privity between the parties. See Tahoe-Sierra Pres. 1 2 Council v. Tahoe Reg. Planning, 322 F.3d 1064, 1077 (9th Cir. 2003). In Shalant the 3 attorney raised a due process defense during his state bar trial. In a later lawsuit by Shalant 4 against the State Bar in a section 1983 lawsuit, Shalant asserted claims for violation of due 5 process. The three prongs of Res Judicata existing in that situation. Same Claims, Judgment 6 7 on the Merits and Identical Parties. In this case, the State Bar case against Alleged Debtor 8 was based on different claims and different parties. Furthermore, there was no actual 9 determination that Alleged Debtor converted any monies for his own benefit. Pachulski 10 11 12 13 14 15 16 17 18 19

cannot and will not bring an action against Alleged Debtor for conversion because Pachulski knows that debtor did not convert funds. Pachulski knows that Alleged Debtor only received his salary from L&B. If this Court were to file Wellgen's logic, then Pachulski could bring an adversary complaint against Layfield and Layfield would be precluded from asserting any defense whatsoever based on Res Judicata. This reasoning is preposterous and should be rejected by this Court. For this reason alone, Alleged Debtor's petition should be granted. Clearly, Alleged Debtor has successfully shifted the burden to the Petitioners and Petitioners have failed to meet their burden. Pachulski doesn't even attempt to challenge this

Dated: 10/12/14

because he knows he can't.

Debtor's Motion to Dismiss.

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Philip J. Layfield

PHILIP J. LAYFIELD'S REPLY TO MOTION TO DISMISS CASE NO.: 2:18-bk-15829-NB PAGE 5

Debtor respectfully requests that this Court immediately enter an Order granting Alleged

DECLARATION OF PHILIP LAYFIELD

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I, Philip J. Layfield, hereby Declare as follows:

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I have personal knowledge of the facts stated herein.

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hereinafter

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1.

- If called upon to testify, I could and would testify to the facts stated to 2.
- On September 9, 2018 I personally emailed courtesy copies of the 3. Motion to Dismiss the Involuntary Bankruptcy Petition and Declaration in Support Thereof. Attached as Exhibit 1 is a true and correct copy of the email chain showing the email to the Petitioning Creditors on September 9, 2018 at 10:26am.
- On September 10, 2018 (which was a Monday), my wife Christine 4. Layfield personally went to the post office to mail the Motion to Dismiss and Declaration to the United States Bankruptcy Court, Roybal Building and obtained a receipt for the mailing. A true and correct copy of the receipt is attached hereto as Exhibit 2.
- On October 12, 2018, I personally entered the tracking number of the 5. receipt obtained in Exhibit 2 into the USPS tracking website and confirmed that the package was received on September 12, 2018. Attached as Exhibit 3 is a true and correct copy of the print out from the www.usps.com website showing the tracking history of the package containing the Motion to Dismiss.
- Attached as Exhibit 4 is a true and correct copy of the cover letter 6. included to the Intake Clerk with the package mailed on September 10, 2018.
- Attached as Exhibit 5 is a true and correct copy of a screenshot from 7. my personal computer that was used to draft the Motion to Dismiss. A review of that screenshot shows the Motion to Dismiss was last modified on September 9, 2018 at 10:09 am, which is approximately 15 minutes prior to the time I emailed the document

PHILIP J. LAYFIELD'S REPLY TO MOTION TO DISMISS CASE NO.: 2:18-bk-15829-NB PAGE 6

1	to the Petitioning Creditors. Any assertion by Mr. Golden or his staff that they did not	
2	receive my email or that somehow my Motion was not timely served is false.	
3		
4	Dated this 12 th day of October 2018 at Millsboro, DE.	
5	I declare under penalty of perjury under the laws of the United States that the	
6	foregoing is true and correct to the best of my knowledge, information and belief.	
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8	By:	
9	Philip James Layfield	
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Case 2:18-bk-15829-NB Doc 84 Filed 10/15/18 Entered 10/16/18 17:30:13 Desc Main Document Page 7 of 27

EXHIBIT 1

Message 1 of 6

Sent at: 9/9/2018 10:26:02 AM

Motion to Dismiss Involuntary Petition

From: Mr Philip Layfield <phil@maximum.global>

To: jgolden@lwgfllp.com, mpagay@pszjlaw.com, wes@averytrustee.com, megan.h.baer@gmail.com

Please see attached set for hearing in October.

Attachments:

2018.9.8 Layfield Declaration in Support of Motion to Dismiss Involuntary Petition.pdf (21 MB)

2018.9.8 Motion to Dismiss Involuntary Case.pdf (369 KB)

Message 2 of 6

Sent at: 9/10/2018 9:32:50 AM

Fwd: Motion to Dismiss Involuntary Petition

From: Mr Philip Layfield <phil@maximum.global>

To: Tina M. Talarchyk, Esq. <tmt@palmbeachbk11.com>

Download Attachment Available until Oct 10, 2018

This was filed over the weekend. Have a look. Feel free to allocate time to this for reading and we can include in the fee app when I win if you want. I went at them pretty hard.

Sent from my iPad

Begin forwarded message:

From: "Philip Layfield" <phil@maximum.global>
Date: September 9, 2018 at 10:25:21 AM EDT

To: "" < jgolden@lwgfllp.com >, "" < mpagay@pszjlaw.com >, "" < wes@averytrustee.com >, ""

<megan.h.baer@gmail.com>

Case 2:18-bk-15829-NB Doc 84 Filed 10/15/18 Entered 10/16/18 17:30:13 Desc Subject: Motion to Dismiss In Main Description Page 10 of 27

Please see attached set for hearing in October.

Click to Download

2018.9.8 Layfield Declaration in Support of Motion to Dismiss Involuntary Petition.pdf 21.2 MB

Click to Download
2018.9.8 Motion to Dismiss Involuntary Case.pdf
369 KB

Message 3 of 6

Sent at: 10/1/2018 5:34:53 PM

Fwd: Motion to Dismiss Involuntary Petition

From: Mr Philip Layfield <phil@maximum.global>

To: sharon_sumlin@cacb.uscourts.gov

Please see the below email where everybody was served. As I explained, for some reason I only received the file stamped copy of the Declaration back from the Clerk's office even though I submitted 3 copies.

Let's set this for October 24, 2018 at 10:00am as well. I will provide new notices.

Thank you.

Sent from my iPad

Case 2:18-bk-15829-NB [Quoted text hidden]

Doc 84 Filed 10/15/18 Entered 10/16/18 17:30:13 Main Document

Page 11 of 27

Attachments:

2018.9.8 Layfield Declaration in Support of Motion to Dismiss Involuntary Petition.pdf (21 MB)

2018.9.8 Motion to Dismiss Involuntary Case.pdf (369 KB)

Message 5 of 6

Sent at: 10/3/2018 5:34:13 PM

Re: Fwd: Motion to Dismiss Involuntary Petition

From: sharon_sumlin@cacb.uscourts.gov

To: Mr Philip Layfield <phil@maximum.global>

Mr. Layfield,

Your notice is not proper notice. You will need to file an amended notice of motion with the correct hearing information of October 24, 2018 at 10:00 a.m. If service is not proper and filed with the clerks office according to the local rules then the motion will not go on calendar for that day.

Thank you

United States Bankruptcy Court

Central District of California Sharon Sumlin

Courtroom Deputy to the Honorable Neil Bason

Los Angeles (213) 894-4085

sharon sumlin@cacb.uscourts.gov

From:

Philip Layfield <phil@maximum.global>

To:

sharon_sumlin@cacb.uscourts.gov,

Date:

10/01/2018 02:35 PM

Subject:

Fwd: Motion to Dismiss Involuntary Petition

Please see the below email where everybody was served. As I explained, for some reason I only received the file stamped copy of the Declaration back from the Clerk's office even though I submitted 3 copies.

Let's set this for October 24, 2018 at 10:00am as well. I will provide new notices.

Thank you.

Sent from my iPad

Begin forwarded message:

From: "Philip Layfield" <phil@maximum.global> Date: September 9, 2018 at 10:25:21 AM EDT

To: "" < igolden@lwgfllp.com >, "" < mpagay@pszjlaw.com >, "" < wes@averytrustee.com >, ""

<megan.h.baer@gmail.com>

Subject: Motion to Dismiss Involuntary Petition

Please see attached set for hearing in October.

This message is confidential. It may also be privileged or otherwise protected by the work product doctrine or other legal rules. If you have received it by mistake, please let us know by e-mail reply, and delete it from your system. You may not copy this message or disclose its contents to anyone. The integrity and security of this message cannot be guaranteed on the Internet.[attachment "attuki6c.pdf" deleted by Sharon Sumlin/CACB/09/USCOURTS] [attachment "2018.9.8 Motion to Dismiss Involuntary Case.pdf" deleted by Sharon Sumlin/CACB/09/USCOURTS]

Message 6 of 6

Sent at: 10/4/2018 12:03:28 PM

Re: Motion to Dismiss Involuntary Petition

From: Mr Philip Layfield <phil@maximum.global>

To: sharon sumlin@cacb.uscourts.gov

I am preparing the amended notice shortly along with a new proof of service. I will send you a copy when it is ready.

Thank you.

Sent from my iPad

On Oct 3, 2018, at 5:34 PM, Sharon_Sumlin@cacb.uscourts.gov wrote:

[Quoted text hidden]

Sent at: 9/9/2018 10:26:02 AM

Motion to Dismiss Involuntary Petition

From: Mr Philip Layfield <phil@maximum.global>

To: jgolden@lwgfllp.com, mpagay@pszjlaw.com, wes@averytrustee.com, megan.h.baer@gmail.com

Please see attached set for hearing in October.

Attachments:

2018.9.8 Layfield Declaration in Support of Motion to Dismiss Involuntary Petition.pdf (21 MB)

2018.9.8 Motion to Dismiss Involuntary Case.pdf (369 KB)

EXHIBIT 2

Main Decision # 9140 0916 4423 8320 2992 32 For Tracking or inquiries go to USPS.com or call 1-800-222-1811. RECEIPT MILLSBORO 100 MAIN ST **MILLSBORO** MILLSBORO DE 19966-9998 0945100966 (800) 275-8777 10:47 AM ************************** ******************* Product Sale Description Qty Price \$6.70 Pri Mail 1 (Unit Price:\$6.70) \$6.70 Prepaid Mail (Weight: 4 lbs. 2.70 oz.) (Destination:LOS ANGELES, CA 90012 (Acceptance Date:09/10/2018 10:46 :20) (Label #:4209001294058036993006905 79855) Total \$6.70 Debit Card Remit'd (Card Name:VISA) \$6.70 (Account #:XXXXXXXXXXXXXXX3588) (Approval #: (Transaction #:539) (Receipt #:018481)

(Approval #:)
(Transaction #:539)
(Receipt #:018481)
(Debit Card Purchase:\$6.70)
(Cash Back:\$0.00)
(AID:A0000000980840 Chip)
(AL:US DEBIT)
(PIN:Verified)

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EXHIBIT 3

USPS Tracking[®]

FAQs > (https://www.usps.com/faqs/uspstracking-faqs.htm)

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Tracking Number: 420900129405803699300690579855

Remove X

On Time

Expected Delivery on

WEDNESDAY

12 SEPTEMBER 2018 (i)

reedback

Oblivered

September 12, 2018 at 12:54 pm Delivered, To Mail Room LOS ANGELES, CA 90012

Get Updates ✓

Text & Email Updates

>

Tracking History



September 12, 2018, 12:54 pm

Delivered, To Mail Room LOS ANGELES, CA 90012

Your item has been delivered to the mail room at 12:54 pm on September 12, 2018 in LOS ANGELES, CA 90012.

September 12, 2018, 10:44 am

Out for Delivery LOS ANGELES, CA 90012

September 12, 2018, 9:43 am

Out for Delivery LOS ANGELES, CA 90012

September 12, 2018, 9:33 am

Sorting Complete LOS ANGELES, CA 90012

September 12, 2018, 7:01 am

Arrived at Unit LOS ANGELES, CA 90012

September 12, 2018, 4:09 am

Arrived at USPS Facility LOS ANGELES, CA 90012

September 12, 2018, 1:42 am

Departed USPS Regional Facility
LOS ANGELES CA NETWORK DISTRIBUTION CENTER

September 12, 2018, 1:39 am

Arrived at USPS Regional Destination Facility
LOS ANGELES CA NETWORK DISTRIBUTION CENTER

September 11, 2018

In Transit to Next Facility

September 10, 2018, 8:16 pm

Arrived at USPS Regional Origin Facility
PHILADELPHIA PA NETWORK DISTRIBUTION CENTER

September 10, 2018, 2:25 pm

Departed Post Office MILLSBORO, DE 19966 September 10, 2018, 10:47 am USPS in possession of item

USPS in possession of item MILLSBORO, DE 19966

September 9, 2018

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Product Information

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Postal Product:

Priority Mail®

Features: Insured

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-eedback

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FAQs (https://www.usps.com/faqs/uspstracking-faqs.htm)

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- Enter USPS Delivery Instructions[™] for your mail carrier.

Sign Up

(https://reg.usps.com/entreg/RegistrationAction_input?

*NOTE: Black and white (grayscale) images show the outside, front of letter-sized envelopes and mailpieces that are processed approximately ap

EXHIBIT 4



September 9, 2018

Bankruptcy Court Filing Window United States Bankruptcy Court Roybal Federal Building 255 E. Temple Street Los Angeles, CA 90012

RE: In Re Philip James Layfield, APC Case No. 2:18-bk-15829-NB

Dear Filing Clerk:

Please find enclosed the following for filing:

1. Motion to Dismiss Involuntary Ch. 7 Bankruptcy .

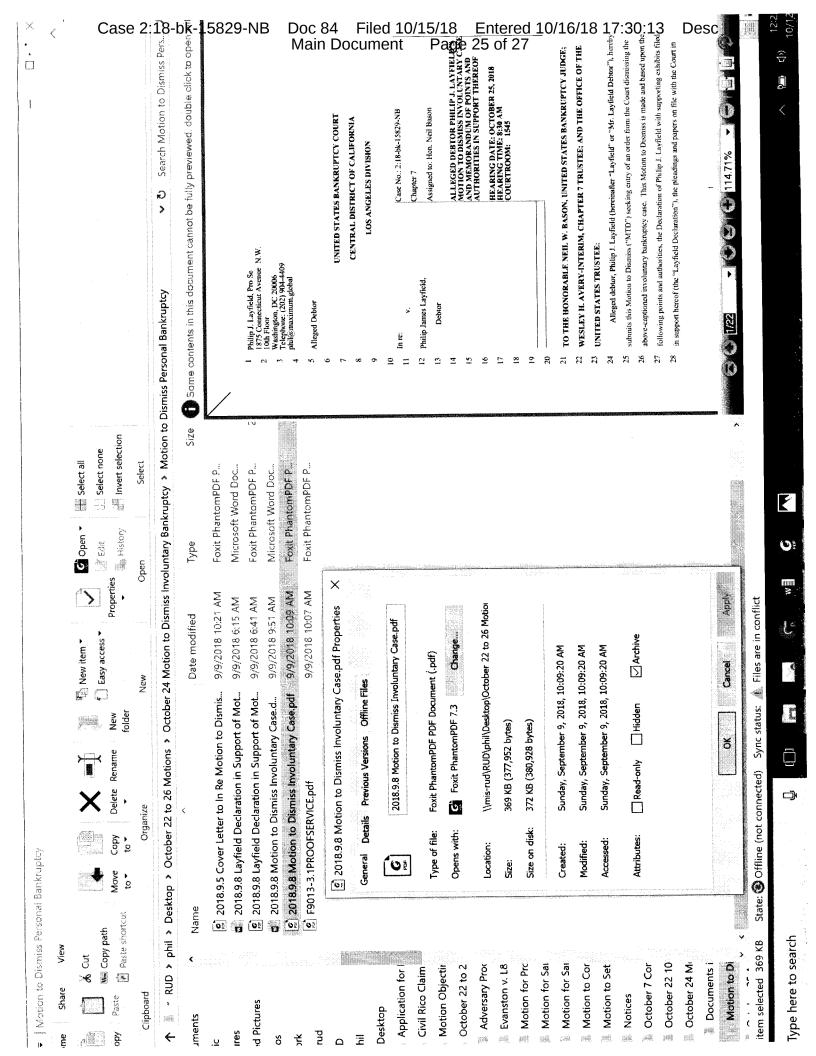
I have included 3 copies of this Motion. Please forward a copy to the Judge's Chambers. Please include the file-stamped copies in the pre-paid, self addressed envelope.

Sincerely,

Philip J. Layfield

1875 Connecticut Avenue 10th Floor Washington, DC 20009 <u>www.zenith-law.com</u> (202) 904-4409

EXHIBIT 5



PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 102 Moores Crossing #7, Millsboro, DE 19966

A true and correct copy of the foregoing document entitled (specify): Layfield Reply Re Motion to Dimiss Involuntary Petition
will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:
1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 10/12/2018, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:
Beth Gaschen bgaschen@wgllp.com, kadele@wgllp.com, vrosales@wgllp.com, cbmeeker@gmail.com, cyoshonis@wgllp.com, Faye Rasch frasch@wgllp.com, tziemann@wgllp.com, Jeffrey Golden: jgolden@wgllp.com Malhar S. Pagay: mpagay@pszjlaw.com Wesley Avery wes@averytrustee.com, c117@ecfbis.com, lucy@averytrustee.com, alexandria@averytrustee.com
Service information continued on attached page
2. SERVED BY UNITED STATES MAIL: On (date) 10/12/2018 , I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed. Bankruptcy Court Filing Window United States Bankruptcy Court Roybal Federal Building 255 E. Temple Street Los Angeles, CA 90012
Service information continued on attached page
3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) 09/09/2018 , I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed. Megan Baer megan.h.baer@gmail.com Overnight Mail to: Michael LeBlanc, 3831 Yazoo Drive, Lake Havasu City, AZ 86404 and to
Service information continued on attached page
I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.
10/12/2018 Christine Layfield Date Printed Name Signature

ATTACHMENT TO PROOF OF SERVICE

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1.	
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1. CONTINUED SERVICE LIST:

Jeffrey L Sumpter jsumpter@epiqtrustee.com, jsumpter@cbiz.com

United States Trustee (LA) ustpregion16@la.ecf@usdoj.gov

Dennis J. Wickham wickham@scmv.com, nazari@scmv.com

PHILIP J. LAYFIELD'S PROOF OF SERVICE CASE NO.: 2:18-bk-15829-NB